The Government has decided 'in principle' to examine the possibility of revival of closed fertilizer plants of Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL) subject to the confirmed availability of gas.

The decision of the Government has been intimated to FCIL and HFCL for implementation. Fertilizer PSUs/Cooperative - Rashtriya Chemicals and Fertilizers Ltd. (RCF), National Fertilizers Ltd. (NFL) and Krishak Bharati Cooperative Ltd. (KRIBHCO) have shown their intention to participate in the revival process of certain units of FCIL and HFCL and accordingly process of preparing techno-economic feasibility reports has been initiated. There is no proposal to involve private sector in the revival process at this stage.

Price of natural gas

624. SHRI PRASANTA CHATTERJEE:
SHRI TAPAN KUMAR SEN:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the price of natural gas used by urea producing units in the country, unit-wise;

(b) the average price of natural gas per tonne of urea produced;

(c) the impact of the gas price quoted for K G Basin Gas on cost of production or urea; and

(d) the increase in subsidy with above quoted price of the KG Basin Gas *vis-a-vis* Gas priced under APM?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) The price of natural gas used by urea units is placed at Annexure.

(b) The notional average price of natural gas per tonne of Urea Unit wise is enclosed as Statement.

(c) The impact of gas price quoted for KG Basin gas on cost of production of urea will be different for each unit as the delivered gas price will vary depending upon the location of the unit. However, the existing units utilize on an average approximately 24 MMBTU of gas for production of one tonne of urea. If the KG Basin gas is used for substituting the costlier feedstock/fuel oil by existing units, there will be a reduction in cost of production. On the other hand, if this gas is used for substituting the dwindling supply of APM gas, there will be an increase in cost of production.

(d) The exact increase in subsidy with the quoted price of KG Basin gas *vis-a-vis* gas price under APM will depend upon the total allocation of KG Basiin gas to the fertilizer sector and the location of plants, which will be utilizing this gas. Assuming an average delivered price of KG Basin gas at US$ 5 per MMBTU against the APM gas delivered price of approximately US$ 2.5 per MMBTU, the use of KG Basin gas will increase the cost of production of urea by US$ 60 per MT of urea in existing units.

Statement

Average Price of Natural Gas per MT of Urea Produced based on First Half-of 2006-07 (Provisional)

Name of the Unit and Group	Re-assessed Capacity (in MT)	Energy Norm (in Gcal)			
Pre 92 Gas					
BVFCL III	315000	12.688	268.14	67.572	3402.190
Kribhco	1729200	5.952	612.48	154.345	3645.488
Indo Gulf	864600	5.874	806.36	203.202	4736.552
NFL, Vijaipur I	864600	5.952	595.28	150.012	3543.130
IFFCO, Aonla I	864600	5.938	679.89	171.332	4037.171
Post 92 Gas					
NFCL - I	597300	5.712	447.88	112.866	2558.293
NFCL-II	597300	5.712	447.81	112.849	2557.907
NFL, Vijaipur II	864600	5.712	604.35	152.296	3452.042
IFFCO, Aonla II	864600	5.660	700.87	176.620	3966.942
KSFL	864600	5.712	802.88	202.325	4586.042
TCL	864600	5.507	713.94	179.914	3931.684
CFCL - I	864600	5.712	689.55	173.767	3938.711
Pre 92 Naptha					
IFFCO, Phulpur I	551100	7.847	1004.38	253.103	7881.347
Post 92 Naptha					
IFFCO, Phulpur II	864600	5.883	1002.64	252.664	5898.508
CFCL-II	864600	5.678	946.45	238.505	5373.940
FO/LSHS					
GNFC	636900	7.989	427.88	107.826	3418.345
Mixed Feed					
GSFC	370590	6.935	756.23	190.569	5244.438
IFFCO, Kalol	544500	6.836	1255.32	316.341	8581.366
RCF, Thal	1706897	7.004	370.94	93.478	2598.088
Other					
BVFCL II	240000	12.610	268.19	67.584	3381.881
Weighted Average	15934787	6.377	670.664	169.007	4277.159